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### **Department of Revenue Named Co-winner of National Compliance Award**

**Washington, D.C., March 29, 2010** – The Federation of Tax Administrators today named the Washington State Department of Revenue co-winner of its Outstanding Compliance Award for 2010 in recognition of its reseller permit implementation project.

The two other co-winners in a three-way tie were Mississippi and Virginia.

The reseller permit project involved a legislatively directed shift from self-issued resale certificates to Department-issued reseller permits. Both allow businesses to buy items for resale without paying sales tax. Sales tax is collected when the item is resold at the retail level.

The new system is intended to curtail misuse of resale certificates by some businesses that were buying items for their own use without paying taxes, costing state and local government an estimated \$100 million annually.

The FTA judges noted that in only six months, the agency implemented the new law with an intensive effort to educate affected businesses and issue the tightly regulated reseller permits only to those businesses that qualified for them.

Activities included developing and testing paper and online applications, contacting nearly 500,000 businesses, creating an online video tutorial, providing content for business association websites and publicizing the change through news releases, speaking engagements and workshops.

Judges praised the project for being “customer-driven and data-driven, one of the few states that works this hard with the taxpayers in advance of a compliance action.” They noted the outcome was a “user-friendly system – they wanted a system that would not be burdensome to businesses or the tax department. So much work was involved, and so much thought was put into it.”

Revenue Director Cindi Holmstrom said she was concerned about implementing such a sweeping change in such a short time period, but everything went smoothly, thanks to hard work by agency staff and the full cooperation and support of the business community.

“This really went well, and I have both our staff and our business stakeholders to thank for that,” she said.

Official presentation of the award will take place during the FTA Annual Meeting, June 7 in Atlanta.

The Federation of Tax Administrators is a nonprofit organization composed of taxation and revenue departments of the fifty states, District of Columbia and New York City. Its mission is to improve the standards and methods of tax administration.

More information on the reseller permit system is available at <http://dor.wa.gov/resellerpermit/>.

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